



**CITY OF LODI
COUNCIL COMMUNICATION**

B-2

AGENDA TITLE: Authorize Staff to Modify Labor Unit Memorandum of Understandings (MOUs) according to signed Tentative Agreements (TAs)

MEETING DATE: June 10, 2009

PREPARED BY: City Attorney and Human Resources Manager

RECOMMENDED ACTION: Staff recommends Council Authorize Staff to Modify Labor Unit Memorandum of Understandings (MOUs) according to signed Tentative Agreements (TAs).

BACKGROUND INFORMATION: Following general City Council direction, staff has sought to ensure a balanced 2009/10 General Fund budget applying similar percentages of the General Fund to each department in 2009/10 as in 2008/09. This has necessitated reducing expenditures within City departments to include employee salaries and benefits. Accordingly, staff has negotiated tentative modifications to four bargaining units/group's salary and benefits. As the members of each bargaining unit may have different interests/needs in terms of salary and benefits, the structure of each tentative modification differs. However, modifications center around a combination of furloughs, salary reductions, overtime restrictions, limits on cash-out of benefits, and elimination of deferred compensation matching programs.

Staff has reached the following tentative agreements for FY 09/10:

1) Lodi Police Dispatchers Association

- Amend Article 1: Salary reduced by 58 hours of unpaid furlough leave.
- Amend Article 10.2 to eliminate cash-out provisions of holiday leave.

2) Police Officers Association of Lodi

- Amend Article 1: Salary reduced by 48 hours of unpaid furlough leave.
- Amend Article 5.5 to eliminate cash-out provisions of comp leave.
- Amend Article 22.6 to eliminate cash-out provisions of holiday leave.
- Amend Article 17.1 allowing members to resume the monthly uniform allowance starting July 1, 2009.

Police Department did not budget FY 09/10 overtime expenses of \$360,000. However, the Police Association agreed to use Compensatory Time Off rather than request payment of overtime, thus saving the City \$360,000¹.

¹ The Fair Labor Standards Act does not permit a requirement that overtime be taken on a compensatory rather than a cash basis. Instead the units have agreed to cooperate with the City to avoid overtime with the understanding that use of overtime would result in mid year budget cuts.

APPROVED: _____


Blair King, City Manager

3) Lodi Police Mid-Management Association.

- Amend Article 1: Salary reduced by 108 hours of unpaid furlough leave.
- Amend Article 2.1 allowing members to resume the monthly uniform allowance starting July 1, 2009.
- Amend Article 4.2 to eliminate cash out provisions of comp leave.
- Amend Article 27.3 to eliminate cash out provisions of holiday leave.
- Amend Article 1.2 allowing members to resume receiving the City's 3% deferred compensation match effective July 1, 2009.

4) Lodi City Mid-Management Association.

- Amend Article 1: Salary reduced by 96 hours of unpaid furlough leave.
- Amend Article 3.2 to eliminate City deferred compensation match.

5) AFSCME Maintenance and Operators.

- Amend Article 1: Salary reduced by **48** hours of unpaid furlough leave.

5) AFSCME General Services.

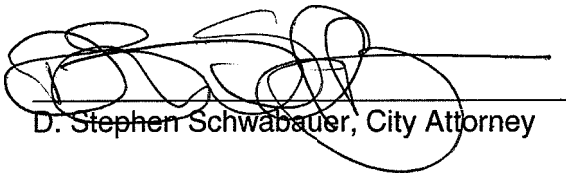
- Amend Article 1: Salary reduced by 96 hours of unpaid furlough leave.
- Amend Article 4.1 to eliminate City deferred compensation match.

Staff had previously reached agreements with the following groups for the FY 09/10: IBEW, Unrepresented Confidential Employees, Executive Management, and Council Appointees.

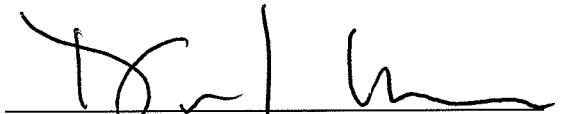
FISCAL IMPACT: The above reduces the City's General Fund salary and benefit obligations by \$932,505 for FY 09/10.

FUNDING AVAILABLE: Not applicable.

Respectfully submitted,



D. Stephen Schwabauer, City Attorney



Dean Gualco, Human Resources Manager
Dean Gu lco, Hum in Resources Manager



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Authorize Staff to Modify Labor Unit Memorandum of Understandings (MOUs) according to signed Tentative Agreements (TAs)

MEETING DATE: June 17, 2009

PREPARED BY: City Attorney and Human Resources Manager

RECOMMENDED ACTION: Staff recommends Council Authorize Staff to Modify Labor Unit Memorandum of Understandings (MOUs) according to signed Tentative Agreements (TAs).

BACKGROUND INFORMATION: Following general City Council direction, staff has sought to ensure a balanced 2009/10 General Fund budget applying similar percentages of the General Fund to each department in 2009/10 as in 2008/09. This has necessitated reducing expenditures within City departments to include employee salaries and benefits. Accordingly, staff has negotiated tentative modifications to all bargaining units/group's salary and benefits. As the members of each bargaining unit may have different interests/needs in terms of salary and benefits, the structure of each tentative modification differs. However, modifications center around a combination of furloughs, salary reductions, overtime restrictions, limits on cash-out of benefits, and elimination of deferred compensation matching programs.

Staff has reached the following tentative agreements for FY 09/10:

1) Lodi Police Dispatchers Association

- Amend Article 1: Salary reduced by 58 hours of unpaid furlough leave.
- Amend Article 10.2 to eliminate cash-out provisions of holiday leave.

2) Police Officers Association of Lodi

- Amend Article 1: Salary reduced by **48** hours of unpaid furlough leave.
- Amend Article 5.5 to eliminate cash-out provisions of comp leave.
- Amend Article 22.6 to eliminate cash-out provisions of holiday leave.
- Amend Article 17.1 allowing members to resume the monthly uniform allowance starting July 1, 2009.

Police Department did not budget FY 09/10 overtime expenses of \$360,000. However, the Police Association agreed to use Compensatory Time Off rather than request payment of overtime, thus saving the City \$360,000¹.

¹ The Fair Labor Standards Act does not permit a requirement that overtime be taken on a compensatory rather than a cash basis. Instead the units have agreed to cooperate with the City to avoid overtime with the understanding that use of overtime would result in mid year budget cuts.

APPROVED:

Blair King City Manager

3) Lodi Police Mid-Management Association.

- Amend Article 1: Salary reduced by 108 hours of unpaid furlough leave.
- Amend Article 2.1 allowing members to resume the monthly uniform allowance starting July 1, 2009.
- Amend Article 4.2 to eliminate cash out provisions of comp leave.
- Amend Article 27.3 to eliminate cash out provisions of holiday leave.
- Amend Article 1.2 allowing members to resume receiving the City's 3% deferred compensation match effective July 1, 2009.

4) Lodi City Mid-Management Association.

- Amend Article 1: Salary reduced by 96 hours of unpaid furlough leave.
- Amend Article 3.2 to eliminate City deferred compensation match.

5) AFSCME Maintenance and Operators. (Because the contribution is below the budget allocation, this unit will see the lay-off of two street maintenance worker III positions.)

- Amend Article 1: Salary reduced by 48 hours of unpaid furlough leave.

6) AFSCME General Services.

- Amend Article 1: Salary reduced by 96 hours of unpaid furlough leave.
- Amend Article 4.1 to eliminate City deferred Compensation match.

7) Lodi Fire Mid Management (Statement of Benefits)

- Accept the equivalent of a 41 hour reduction through a combination of furlough hours and deferred compensation waiver.

8) Lodi Professional Firefighters

- Waive deferred compensation match
- Waive vacation cash out

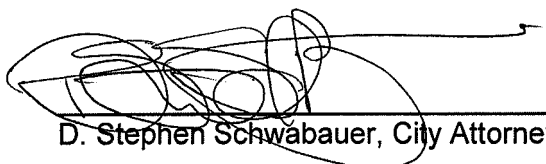
The Fire Department did not budget FY 09/10 overtime expenses of \$200,000. However, the LPF agreed to reduce minimum staffing to 12, thus saving the City a significant overtime exposure.

Staff had previously reached agreements with the following groups for the FY 09/10: IBEW, Unrepresented Confidential Employees, Executive Management, and Council Appointees.

FISCAL IMPACT: The above reduces the City's General Fund salary and benefit obligations by \$1,334,400 for FY 09/10.

FUNDING AVAILABLE: Not applicable.

Respectfully submitted,



D. Stephen Schwabauer, City Attorney

SIDE LETTER TO THE LODI POLICE DISPATCHERS ASSOCIATION MOU
May 2009

- A. The City of Lodi and the Lodi Police Dispatchers Association currently operate under a Memorandum of Understanding effective November 6, 2007 through April 30, 2011, as amended by Addendum dated February 2009.
- B. This Addendum is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree that members of the bargaining group will:

Accept ~~58 hours~~ ⁹unpaid furlough hours in lieu of a 2.8% salary reduction in the FY 09-10. Furlough hours shall be scheduled based on availability and shall be deducted from salary in equal installments across all fiscal year pay periods (2.3 hours per paycheck).

Furlough hours must be used by the expiration of the current unit MOU.

In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from other available leave balances, and if other leave balances are inadequate, repaid to City.

Notwithstanding the above, overtime on July 4th shall be on a paid rather than a Compensatory time off basis.

The parties agree that they will work cooperatively to minimize overtime expenditures in the department to avoid mid year budget cuts that would be required to meet the overtime expenditures.

Finally, as a result of the additional furlough hours granted by this agreement, holiday leave hours accrued during the pay periods in which January 1, 2009 through December 31, 2009 must be used by October 31, 2010.

This Addendum shall not become effective until approved by the Lodi City Council.

CITY OF LODI,
a municipal corporation

Lodi Police Dispatchers Assn.

BLAIR KING, City Manager

By Kimberly A. Santassey
President

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER - City Attorney

**SIDE LETTER TO THE POLICE OFFICERS ASSOCIATION
OF LODI MOU
May 2009**

- A. The City of Lodi and the Police Officers Association of Lodi currently operate under a Memorandum of Understanding effective October 9, 2007 through October 8, 2011 as amended by Addendum dated February 2009.
- B. This Side Letter is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree:

Furlough Time:

Accept 48 hours unpaid furlough hours in lieu of a 2.3% salary reduction in the FY 09-10. Furlough hours shall be scheduled based on availability and shall be deducted from salary in equal installments across all fiscal year pay periods (1.9 hours per paycheck).

In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from other available leave balances, and if other leave balances are inadequate, repaid to City.

Furlough hours must be used by the expiration of the current unit MOU.

Compensatory Time:

Bargaining unit members agree that they shall not cash out any compensatory time off from July 1, 2009 through June 30, 2010. Moreover, members acknowledge that the 09/10 Police Department budget does not include any expenditures for overtime.

The parties agree that they will work cooperatively to minimize overtime expenditures in the department to avoid mid year budget cuts that would be required to meet the overtime expenditures.

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Uniform Allowance:

Effective July 1, 2009, members will resume receiving the City's uniform allowance on a monthly basis.

Fourth of July:

Overtime on July 4th shall be on a paid rather than a Compensatory time off basis.

Holidays:

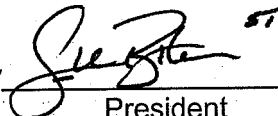
Included in POAL's contributions to the budget shortfall is the provision added by the February 2009 Addendum stating: However, all holiday leave accrued during the pay periods in which January 1, 2009 through December 31, 2009 fall must be used by October 31, 2010 and may not be banked or cashed out. This limitation shall not apply to members retiring during the 2009-2010 fiscal year.

This Side Letter shall not become effective until approved by the Lodi City Council, and the particulars of this Side Letter will be evaluated during the Mid-year budget process.

CITY OF LODI,
a municipal corporation

Police Officers Association of Lodi

BLAIR KING, City Manager

By  6-1-09
President

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney

**SIDE LETTER TO THE POLICE MID MANAGEMENT ASSOCIATION
OF LODI MOU - May 2009**

- A. The City of Lodi and the Police Officers Association of Lodi currently operate under a Memorandum of Understanding effective October 9, 2007 through October 8, 2011 as amended by Addendum dated February 2009.
- B. This Side Letter is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree:

Furlough Time:

Accept 108 ⁹hours unpaid furlough hours in lieu of a 5.2% salary reduction in the FY 09-10. Furlough hours shall be scheduled based on availability and shall be deducted from salary in equal installments across all fiscal year pay periods (4.15 per paycheck).

Furlough hours must be used by the expiration of the current unit MOU, and may also be used any time in lieu of sick leave.

In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from other available leave balances, and if other leave balances are inadequate, repaid to City.

Compensatory Time:

Bargaining unit members agree that they shall not cash out any compensatory time off from July 1, 2009 through June 30, 2010. Moreover, members acknowledge that the 09/10 Police Department budget does not include any expenditures for overtime. The parties agree that they will work cooperatively to minimize overtime expenditures in the department to avoid mid year budget cuts that would be required to meet the overtime expenditures.

Fourth of July:

Overtime on July 4th shall be on a paid rather than a Compensatory time off basis.

Deferred Comp:

Effective July 1, 2009, members will resume receiving the City's 3% deferred compensation match.

Uniform Allowance:

Effective July 1, 2009, members will resume receiving the City's uniform allowance on a monthly basis.

Holidays:

included in POAL's contributions to the budget shortfall is the provision added by the February 2009 Addendum stating: However, all holiday leave accrued during the pay periods in which January 1, 2009 through December 31, 2009 fall must be used by October 31, 2010 and may not be banked or cashed out. This limitation shall not apply to members retiring during the 2009-2010 fiscal year.

This Side Letter shall not become effective until approved by the Lodi City Council, and the particulars of this Side Letter will be evaluated during the Mid-year budget process.

CITY OF LODI,
a municipal corporation

BLAIR KING, City Manager

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney

Police Officers Association of Lodi

By _____

President

**SECOND ADDENDUM TO THE LODI CITY MID-MANAGEMENT
ASSOCIATION
MOU.**

April, 2009

- A. The City of Lodi and the Lodi City Mid Management Association currently operate under a Memorandum of Understanding effective January 1, 2008 through December 31, 2009 as amended by Addendum dated February 2009.
- B. This Addendum is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree:

Article I Salary and Term shall be amended as follows:

- 1.6 Add new section 1.6 as follows: Bargaining unit members agree to accept an unpaid furlough of one day per month from July 1, 2009 through June 30, 2010.

This Addendum shall not become effective until approved by the Lodi City Council. Moreover, it is entered with the understanding that Similar Operational Savings will be implemented with respect to all City bargaining units and Executive Management. Similar Operational Savings shall include but not be limited to savings achieved by any individual or combination of reductions including but not limited to furloughs, salary reductions, minimum staffing reductions, overtime restrictions, limits on cash out of benefits, and elimination of deferred compensation matching programs.

CITY OF LODI,
a municipal corporation

BLAIR KING, City Manager

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney

Lodi City Mid-Management Assn.

By _____

President

**SIDE LETTER TO THE AFSCME COUNCIL 57 LOCAL 146-AFL-CIO
MAINTENANCE & OPERATIONS UNIT MOU/ADDENDUM**

June, 2009

- A. The City of Lodi and the AFSCME Council 57 Local 146-AFL-CIO Maintenance & Operations Unit currently operate under a Memorandum of Understanding effective July 1, 2008 through December 31, 2010 as amended by addendum dated March of 2009.
- B. This Side Letter is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree:

Article I – Salary, shall be amended as follows:

- 1.6 Add new Article 1.6 as follows: Bargaining unit members agree to accept six furlough days from July 1, 2009 through June 30, 2010. Furloughs shall be scheduled the last Friday of every other month starting in July, However, November's furlough will fall on the 25th.

This Side Letter shall not become effective until approved by the Lodi City Council.

CITY OF LODI,

AFSCME Council 57 Local 146-
AFL-CIO Maintenance &
Operations Unit

BLAIR KING, City Manager

By


 6/5/09

Business Agent

ATTEST:

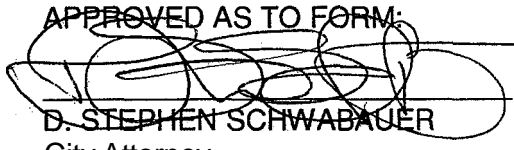
RANDI JOHL, J.D., City Clerk

By



President

APPROVED AS TO FORM:



D. STEPHEN SCHWABAUER
City Attorney

**SIDE LETTER TO THE AFSCME COUNCIL 57 LOCAL 146-AFL-CIO
GENERAL SERVICES UNIT MOUIADDEMDUM**

June, 2009

- A. The City of Lodi and the AFSCME Council 57 Local 146-AFL-CIO General Services Unit currently operate under a Memorandum of Understanding effective July 1, 2008 through December 31, 2010 as amended by Addendum dated February 2009.
- B. This side letter is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree:

Article I – Salary, shall be amended as follows:

- 4.1 Add new sentence at end of Article I as follows: Bargaining unit members agree to accept an unpaid furlough of one day per month to be scheduled the last Friday of the month from July 1, 2009 through June 30, 2010. However, November's furlough will fall on the 25th and December's will fall on the 28th.

Article IV - Deferred Compensation, shall be amended as follows:

- 4.2 At the end of section 4.1 add the following sentence: However, bargaining unit members agree to forego all deferred compensation matches they would otherwise be entitled to between the pay periods in which July 1, 2009 through June 30, 2010 fall.

Layoffs – The City agrees that the 2009/10 budget will be adopted including the Code Enforcement Officer, Purchasing Technician and Senior Admin Clerk positions previously considered for lay-offs and will not consider other General Services layoffs upon the adoption of the 2009/10 budget, except lay-offs arising out of bumping rights from a non-General Services position. However the City retains the right to impose layoffs at any time after the 2009/10 budget adoption.

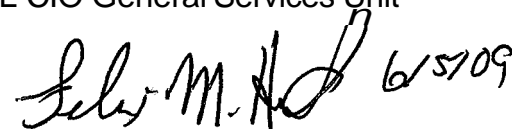
This Side Letter shall not become effective until approved by the Lodi City Council.

CITY OF LODI,

AFSCME Council 57 Local 146-
AFL-CIO General Services Unit

BLAIR KING, City Manager

D.,

 6/5/09

Business Agent

ATTEST:

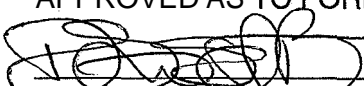
RANDI JOHL, J.D., City Clerk

By



President

APPROVED AS TO FORM:



D. STEPHEN SCHWABAUER
City Attorney

**SIDE LETTER TO THE LODI FIRE MID-MANAGEMENT
STATEMENT OF BENEFITS**

February, 2009

- A. The City of Lodi issued a Lodi Fire Mid Management Statement of Benefits effective July 1, 2008 through December 31, 2010 as Amended by Addendum dated February of 2009.
- B. This Side Letter is issued for the purpose of addressing the significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the Statement of Benefits shall be amended as follows:

Article I – Salary, shall be amended to add the following:

1.4 Add the following at the end of paragraph 1.4 as follows: Lodi Fire Mid Managers agree for the first pay period in which July 1, 2009 falls and ending on the first pay period in which June 30, 2010 falls to give a total salary and benefit contribution of 1.96 percent of regular salary and benefits, and waive vacation cash out. These contributions are in addition to the contributions from the February 2009 Addendum. The contribution shall be made up of a combination of furlough hours and/or waiving deferred compensation match, at each member's election.

Furlough hours shall be scheduled based on availability and shall, for Battalion Chiefs, be deducted from salary in equal installments across all fiscal year pay periods. Division Chief hours shall be deducted in the week actually taken. Unless scheduling issues prevent use of furlough hours, members shall use furlough hours before sick, vacation, compensatory time off and holiday leave. Moreover, furlough hours that have not been used by June 30, 2010, may be carried forward and must be used or forfeited by December 31, 2010. In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from available leave balances, and if other leave balances are inadequate, repaid to City.

This Side Letter shall not become effective until approved by the Lodi City Council.

CITY OF LODI,
a municipal corporation

LODI FIRE MID-MANAGEMENT.

BLAIR KING, City Manager

By _____
Representative

ATTEST:

APPROVED AS TO FORM:

RANDI JOHL, J.D., City Clerk

D. STEPHEN SCHWABAUER
City Attorney

**SIDE LETTER TO THE LODI PROFESSIONAL FIREFIGHTERS
MOU**

June, 2009

- A. The City of Lodi and the Lodi Professional Firefighters currently operate under a Memorandum of Understanding effective July 1, 2007 through December 31, 2010 as Amended by Addendum dated February of 2009.
- B. This Side Letter is issued for the purpose of addressing the significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the Parties agree as follows:

Bargaining Unit Members agree to waive Vacation Cash Out, and Deferred Compensation Match beginning in the first pay period in which July 1, 2009 falls and ending in the first pay period in which June 30, 2010 falls. These contributions shall not apply to members who, by June 10, 2009 have announced their retirement effective on or before August 31, 2009.

This Side Letter shall not become effective until approved by the Lodi City Council. Moreover, in the event that revised budget projections permit reduction of these contributions during the 2009/10 budget year, City agrees to revisit and roll them back as soon as feasible.

CITY OF LODI,
a municipal corporation

Lodi Professional Firefighters

BLAIR KING, City Manager

By _____
Representative

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney